

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 5/31/2004

	As of <u>5-31-04</u>	As of <u>6-30-03</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,370,493,131	\$ 1,293,274,762
INTERNATIONAL EQUITIES	621,162,762	560,765,217
DOMESTIC FIXED INCOME	1,380,607,740	1,136,499,399
INTERNATIONAL FIXED INCOME	128,220,691	110,380,109
REAL ESTATE POOL	188,327,766	168,299,583
VENTURE CAPITAL	123,960,899	103,782,691
INVESTED CASH (NOTE 1)	<u>96,000,589</u>	<u>80,246,521</u>
TOTAL INVESTMENTS	3,908,773,578	3,453,248,282
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	17,861,302	14,239,321
CONTRIBUTIONS/ASSESSMENTS REC	8,269,996	6,260,471
MISCELLANEOUS RECEIVABLES	<u>2,553</u>	<u>43,806</u>
TOTAL RECEIVABLES	26,133,851	20,543,598
OTHER ASSETS		
OPERATING CASH (NOTE 2)	8,139,050	7,521,244
DUE FROM OTHER AGENCIES (NOTE 3)	101,328	54,660
FIXED ASSETS (NET) (NOTE 4)	<u>3,414</u>	<u>3,414</u>
TOTAL ASSETS	<u>\$ 3,943,151,221</u>	<u>\$ 3,481,371,198</u>
LIABILITIES:		
ACCOUNTS PAYABLE	2,139,023	2,220,333
ACCRUED EXPENSES	303,224	379,377
DUE TO OTHER AGENCIES (NOTE 5)	<u>101,327</u>	<u>54,660</u>
TOTAL LIABILITIES	2,543,574	2,654,370
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,478,716,828	3,346,332,984
CASH IN DURING YEAR (NOTE 6)	255,891,773	264,797,201
CASH OUT DURING YEAR (NOTE 7)	244,116,547	288,420,000
NET INCREASE (DECREASE)	<u>450,115,593</u>	<u>156,006,643</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>3,940,607,647</u>	<u>3,478,716,828</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 3,943,151,221</u>	<u>\$ 3,481,371,198</u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 5/31/2004

	Month Ended <u>5-31-04</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 10,231,829	\$ 103,373,151
SECURITIES LENDING INCOME	393,720	3,330,965
	<u>10,625,549</u>	<u>106,704,116</u>
 GAIN ON SALE OF INVESTMENTS	 43,944,422	 434,471,483
LOSS ON SALE OF INVESTMENTS	<u>28,954,730</u>	<u>274,240,025</u>
 NET GAINS (LOSSES) INVESTMENTS	 14,989,692	 160,231,458
 INVESTMENT EXPENSES	 971,448	 10,026,766
SECURITIES LENDING EXPENSES	<u>291,896</u>	<u>2,600,712</u>
 NET INVESTMENT INCOME	 24,351,897	 254,308,096
 NET APPREC (DEPREC) MARKET VALUE	 (17,114,750)	 214,281,275
MISCELLANEOUS INCOME/(EXPENSE)	<u>208,053</u>	<u>(644,773)</u>
 TOTAL INVESTMENT INCOME	 7,445,200	 467,944,598
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 8,841,200	 52,596,385
PURCHASED SERVICE CREDIT (NOTE 9)	251,342	3,381,545
PENALTY & INTEREST (NOTE 10)	<u>20</u>	<u>(24)</u>
 TOTAL ADDITIONS	 <u>16,537,762</u>	 <u>523,922,504</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,363,932	70,346,041
REFUNDS TO MEMBER (NOTE 12)	<u>14,241</u>	<u>1,839,896</u>
 TOTAL BENEFITS PAID	 6,378,173	 72,185,937
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	72,609	776,172
OPERATING EXPENSES	396,021	844,802
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>468,630</u>	 <u>1,620,974</u>
 TOTAL DEDUCTIONS	 <u>6,846,803</u>	 <u>73,806,911</u>
 NET INCREASE (DECREASE)	 <u>\$ 9,690,959</u>	 <u>\$ 450,115,593</u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
May 31, 2004

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

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Notes to Combined Financial Statement
5/31/2004

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.